

ASSISTANCE VISIT CHECKLIST FOR REVIEWING LOW-INCOME TAXPAYER CLINIC (LITC) GRANTEES

Name of Organization:_____ **City:**_____ **State:**_____ **Date Prepared:**_____

Financial/OMB Requirements		Compliance Yes No	Reason for Non-Compliance	Guidance
1	Are written procedures set out in accounting manual?			Request copy of accounting manual. Review procedures to determine clarity and proper control.
2	Do records provide current, accurate and complete disclosure of financial results?			Review books of account, audit reports, etc. Determine that accounting transactions are recorded in a timely manner.
3	Do records adequately identify the source and use of funds			Who pays bills? Who records payments and receipts? How is allocation between programs maintained? Check records of expenses and income.
4	Is there an effective system of control and accountability for funds and property?			Obtain copy of most recent audit findings to determine whether in auditor's judgment the recipient's internal controls are adequate. What type of accounting system is used (i.e., single entry or double entry)?
5	Are comparisons being made between actual and budgeted amounts?			Review financial reports to determine if such comparisons are made. Ascertain frequency of such reports.
6	Are accounting records supported by source documents? What is the physical method for keeping track of records?			Determine method for keeping track of records? Secure a copy recent audit report for supporting documentation. Review accounting records.
7	Are procedures in place to minimize the time elapsing between receipt and expenditure of funds?			Review documentation of accounting system to determine the procedures that are in place. Review deposit slips and expenditure reports to determine time lapse. Review audit report and determine cause for questioned costs.
8	Are procedures in place to determine the allowability and the allocable costs			Review documentation of accounting system to determine the procedures that are in place. Review deposit slips and expenditure reports to determine time lapse. Review audit report and determine cause for questioned costs. Review org. by-laws and other org docs.
9	Is organization audited by outside firm? Are copies of audits on file?			Request copies of audits to determine that they are prepared annually.
10	Are audits conducted by CPA or Licensed Public Accountant?			Determine whether audits were conducted by independent, qualified CPA or licensed Public Accountant.

Financial/OMB Requirements (con't)		Compliance Yes No	Reason for Non-Compliance	Guidance
11	Is there a resolution system for resolving audit exceptions?			Review resolution system. Check to see if audit exceptions have been corrected.
12	Are cost sharing/matching contributions verifiable from recipient's records? During grant year, what other federal grants were received?			Identify which represents matching funds and sources of those matching funds. Check records to determine that matching contributions are properly recorded.
13	Do nonfederal cost expenditures (match) meet the percentage requirements specified in the grant agreement?			Check year-end financial statements to determine percentage of total expenditures represented by nonfederal matching contributions. Are they meeting the matching funds requirements?
14	Is documentation available to explain how the values of in-kind contributions were determined? (Non-monetary contributions, e.g., Equipment, volunteers, etc.)			Review recipient's procedures, actual calculations for valuing in-kind contributions and review actual records.
15	Are nonfederal cost sharing expenditures appropriate and allowable?			Check that contributions are not included as contributions for any other federally assisted project and that they are not paid by the federal government under any other award. Review applicable OMB cost principles (A-21, A-122 or A-87) to determine allowability.
16	Is the disposition of program income in accordance with LITC grant terms and conditions in addition to agency regulations?			Review financial statements to determine how program income has been treated vis-à-vis grant and agency requirements (such as court fees, nominal assistance fees, etc).
17	Required prior approvals requested and obtained before making budgetary and programmatic revisions?			Ask recipient whether budget or program changes have been made, the nature of these changes and whether approvals are requested.

Personnel Requirements		Compliance Yes No	Reason for Non-Compliance	Guidance
1	Does the organization have written personnel policies and procedures?			Request copy of policies and procedures and check to see that they cover these topics: position classifications; qualifications requirements for all positions; recruitment and selection system; staff development; promotions.
2	Is there a position classification system? Are there employee manuals and/or desk guides?			Interview a sample of employees to determine if they have position descriptions; determine if employees doing essentially the same work are at the same classification level.
3	Does the organization have qualifications requirements for each position? Do qualifications align with PDs?			Check to see that there is written qualifications for each position and that they in fact relate to the duties of the position. Secure copies of PDs.
4	Does the organization have a recruitment and selection system that provides for public advertisement of vacancies?			Check a sample of selections at all levels to ensure that recipient's recruitment and selection procedures were followed. Secure copies of sample ads for last 2 years. Identify who was hired and qualifications.
5	Does the organization have established recruitment and selection system controls to ensure consistency with the budget plan?			Check to see that there is written qualifications for each position and that in fact they relate to the duties of the position and compare to budget plan F. 424A and financial narrative.
6	Does the organization have a recruitment and selection system that enables a comparison of qualifications with position requirements?			Check to see that there is written qualifications for each position and that they in fact relate to the duties of the position.
7	Compensation determination based on analysis of job requirements, comparability with similar work in the local market, periodic review of pay scales, and fringe benefits comparable to other similar organizations?			Review a sample of pay rates to determine their relationship to position structures; review comparability documentation to ensure it is in reasonable alignment with available data.

Personnel Requirements (con't)		Compliance Yes No	Reason for Non-Compliance	Guidance
8	Performance appraisals conducted for all employees?			Discuss performance appraisal system with a sample of supervisors and non-supervisory employees to see if appraisals are made consistently and serve as the basis for future pay adjustments.
9	Is there a merit promotion plan?			Review a sample of promotion actions to determine if they were made in accordance with the merit promotion plan.
10	Does the organization have staff development program that includes training and career counseling?			Through discussion and document review, identify how and when staff needs are determined. Ask a sample of employees if training and career counseling are made available, when needed.
11	Does the organization have up-to-date, accurate personnel files that protect the confidentiality of all employees' personnel records?			Review a sample of personnel records in the file and then check with the employees involved to determine whether the official documents accurately reflect employees' current job classifications, pay levels, training received, etc. Check procedures for access to personnel files.

Procurement Requirements		Compliance Yes No	Reason for Non-Compliance	Guidance
1	Do written procurement policies and procedures include a required lease versus purchase analysis?			Request copy of policies and procedures. Interview responsible person and review documentation.
2	Do written procurement policies and procedures include a provision that requests for bids contain clear specifications and do not contain features that unduly restrict competition?			Review bid requests.
3	Were positive efforts made to use small and minority owned businesses?			Check mechanism for soliciting against listed SBA and OMB A-102 and A-110 recommended sources or locally developed sources.
4	Is the org. using funds to make significant purchases >\$5,000? Are there written policies and procedures for all purchases involving substantial purchases? How often does Bd of Directors meet? What is the \$ threshold for purchases w/o Bd approval?			Check for basis of contract or selection in purchase records.
5	Do written policies and procedures require that contractors comply with terms, conditions, and specifications of the contract and assure adequate and timely follow-up of all purchases?			Review evidence of monitoring activities of responsible staff. Are multiple bids or estimates required and obtained?
6	Does the organization maintain a standard of conduct code requiring that employees or officers not solicit nor accept gratuities, favors, or anything of monetary value from contractors or potential contractors?			Check procurement policies and procedures for written specification.
7	Are procurements conducted with maximum open and free competition?			Check a sample of purchase records for bid advertising, number of bids on file, and justification for sole source selection (if any).

Property Requirements		Compliance Yes No	Reason for Non-Compliance	Guidance
1	How are property records maintained?			Are records and controls adequate to safeguard against loss, damage or theft of property.

Program Requirements		Compliance Yes No	Reason for Non-Compliance	Guidance
1	Do all of the organization's actual project goals, objectives, activities and services reflect those of the proposal? (Refer to Program Plan).			Ask Project Director and/or other staff to describe current goals, objectives, activities and services and to explain any changes from the proposal. Observe and document project activities. Compare with what proposal/program plan says. Are plans adjusted periodically as necessary?
2	Do all of the client profiles reflect that which is described in the proposal?			Check files to determine characteristics of clients served (e.g., number and percentage by age, sex, race, income, etc.). Determine if services are being provided to ineligible persons. Observe and record number of clients served and their characteristics.
3	Is the key staff the same as described in the proposal?			LITC program office will obtain key staff information and provide it to the LTA. and compare with proposal. If changes in staff made, was LITC Program Office notified?
4	Do staff members have adequate understanding of the project's purpose and their role on the project?			Interview staff about their responsibilities and their daily work activities and compare with proposal. Observe and document staff activities.
5	Has sufficient progress been made in meeting objectives?			Interview staff and examine reports to determine specific progress made in achieving each objective listed in the proposal. If progress has been slow, ask staff to explain.
6	Does the location where the taxpayers are interviewed afford the taxpayer privacy?			Tour facilities and document findings.
7	Are taxpayer records maintained in a confidential manner?			Tour facilities and document findings.
8	Has the program been promoted to the public?			Review promotional materials. Ensure materials are designed to promote the LITC Program and NOT EITC or Tax Preparation.

	Program Requirements (con't)	Compliance Yes No	Reason for Non-Compliance	Guidance
9	Are taxpayers charged a fee for the service rendered by the clinic?			What is fee amount? What is fee based on? Is this fee nominal? How was "nominal" fee determined?
10	Is the telephone assistance provided taxpayers monitored for accuracy?			Who is responsible? Frequency of monitoring? Documentation for monitoring?

Program Requirements (con't)		Compliance Yes No	Reason for Non-Compliance	Guidance
11	Has a system been developed to determine number of ESL taxpayers, if applicable?			Review intake sheets for ESL vs. Non-ESL clients.
12	Have outreach/educational seminars or programs been conducted, if applicable?			Review attendance documents. Look for dates, times, agenda items, etc.
13	Has a pro-bono panel been identified, if applicable?			If yes, identify panel members. If no, determine why not? What procedures are in place to obtain members?
Co-Located Vita/TCE Sites				
14	ESL/Outreach			Assure outreach addresses tax rights and responsibilities as well as other relevant topics.
	a. Separation of Equipment, Space and LITC Grant Funds			a. Review documentation to ensure separation of cost, time, equipment, etc. of LITC grant funds and activities . (Documented to LITC Program Office in advance.)
	b. Separation of volunteer hours.			b. Review documentation for hours applied and actual duties performed. Do not include time spent under VITA & TCE activities.
Ancillary Tax Preparation				
15	Is tax return preparation related to a controversy?			Review documentation to ensure all LITC tax preparation is related to Controversy work. (Documented to LITC Program Office in advance.)
ITINs				
16	a. Does clinic assist with preparation of W-7's?			Determine if clinic is an acceptance agent. A. Aware of ITIN procedures. B. Has training been conducted on ITIN procedures? C. Educate client on proper use of ITIN.
	b. Has clinic been actively involved in the ITIN process?			Verify documentation of mentoring programs. If none, clarify intentions.
Mentoring				
17	Work Groups			Identify the work groups organization participates on. If none, explain.
Pro Bono Services				
18	Does clinic have a pro-bono referral program/system?			If clinic refers, determine what procures are in place for pro-bono members/clients. Review written referral procurers. LITC Office advises LTA

Standards of Operation		Compliance Yes No	Reason for Non-Compliance	Guidance
1	Qualified Tax Expert Requirement.			Verify compliance with the standards and measures listed in the appropriate Publication 3319 for the year in question. -Determine the availability of staff member with tax law expertise.
2	Qualified Business Administrator			Determine the availability of staff member with business administration expertise.
3	Internal Controls			Verify expenses are allowable, authorized and allocable. Timely reports (272, 269, Interim and Year End).
4	Publicity/Marketing			Verify marketing approach used. Review Intake sheets; verify seminars conducted, demographic results. Date/Hours of operation
5	Mentoring Programs			(Experienced LITCs only) a. Assistance provided to less experienced clinics b. Have best practices been shared?
6	Networking			Identify relationship with community-based organizations.
7	Tax Library			Verify accessibility to and adequacy of tax library and research arrangements.
8	Training			LITC Office will identify specific sources of training for the clinic staff, volunteers and other program participants. (ABA Conference other CPEs)
9	Appropriate Representation Authorizations			Clinic staff enrolled to represent before IRS? Student certification letters in order? Types of controversies represented and number of cases in each category.
10	Hours of Operation			Does clinic operate during normal business hours? Is there 24/7 telephonic accessibility? Does clinic have toll-free telephone service? Is clinic staff available year-round?
11	Clinic Accessibility			Is clinic easily accessible to target population? Public transportation available
12	Working relationships with IRS/TAS			Does clinic have strong relationships with IRS/TAS org? Do they share training opportunities? Technical problem solving? Outreach opportunities?
13	Quality control system for case referral			Does clinic maintain an effective system to ensure accurate, consistent and timely case results and referrals?
14	Qualified Volunteers			Identify qualifications, training and background of volunteers. Determine effectiveness of recruitment efforts.

Standards of Operation		Compliance Yes No	Reason for Non-Compliance	Guidance
15	Referral relationship with U.S. Tax Court			Does controversy clinic work with US Tax Court and appear at docket calls?

Other Program Requirements		Compliance Yes No	Reason for Non-Compliance	Guidance
Systemic Issues				
1	Has clinic identified issues and forwarded them to the appropriate source (systemic web page)?			Obtain specific facts, details and supporting documentation, if applicable.
Ethical Considerations				
1.	Conflicts of Interest			Does the clinic have a procedure for identifying conflicts of interest?
2.	Attorney/Client/Tax Practitioner Privilege			Does clinic provide training for attorney/client/ tax practitioner privilege?
3.	Confidentiality of return info			Does clinic provide training to ensure taxpayer confidentiality is protected and is it practiced?
4.	Pro Bono Representation and Referral			Review referral procedures to ensure appropriateness of referrals. Does clinic take care to ensure referral not made to pay for service operations?
5	Lobbying Activities			Does clinic adhere to specific lobbying prohibitions?
Miscellaneous				
1	Customer feedback mechanisms			Does clinic have customer feedback process? Assess effectiveness. Does clinic have a grievance system? How are customers notified of results of complaints?
2	Does clinic offer suggestions for improving the LITC program?			Is the clinic active in suggesting program improvements and actively engaged in key clinic issues?

Summary of Assistance Visit
Description of the facilities:
Issues Identified during visit:
Action items for the organization:

Summary of Assistance Visit

Action items for the LITC Program Office: